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IN REPLY  
REFER TO

DLSC-P  
PROCLTR 99-09

JUL 23 1999

MEMORANDUM FOR PROCLTR DISTRIBUTION LIST

SUBJECT: Surge and Sustainment (S&S) Requirements (DLAD Parts 4.7103-2(a)(90);  
4.7104-2(a)(2)(90); 7.104(b)(90); 7.104(b)(91); 7.104-90(c); 12.301(f);  
17.93; 52.217-9006; 90.501; 90.1101(b)(18))

In the past, DLA inventories have played a large role in meeting S&S requirements. As DLA continues to downsize and reduce its inventories, new strategies must be developed to assure access to commercial inventories and production capabilities, or other industry-based solutions for satisfying S&S needs. To the maximum extent possible, we need to obtain **this** access through our new business arrangements (e.g., corporate, prime vendor (PV), and virtual prime vendor (VPV) contracts) and long-term contracts.

The DLAD coverage at Attachment 1 emphasizes the need to consider S&S in all DLA acquisitions, and especially to strengthen S&S requirements in our new business arrangements and long-term contracts. It includes a process for ensuring that S&S capability actually exists, for validating that capability through S&S testing, and for holding contractors more accountable for meeting S&S requirements. Sample Statement of Work (SOW) language and sample S&S evaluation factors incorporating this process will be provided on the DLSC Web site, (<http://www.dlsc.dla.mil>), and may be used to implement this coverage.

Development of S&S capability may necessitate substantial contractor efforts and/or investments to address shortfalls. Industrial preparedness funds may be used to address these needs. Appropriate use of these **funds** is described in DLSC-P Memorandum dated October 21, 1998, "**Warstopper/Industrial** Readiness Investments" and the attached DLAD coverage. ICPs must budget these funds during the Program Objective Memorandum process and **then** apply for them in advance of actual need through timely submission of Program Description and Approval (PDAD) documents. We caution against establishing S&S unit prices for readily available commercial items that are higher than peacetime unit prices.

The Senior Procurement Executive (SPE) has approved, as required by FAR Part 12.301(f), supplementation of FAR Part 12 provisions and clauses with the clause at DLAD 52.217-9006.

DLA management is especially interested in **DLA's** new business arrangements being tested to validate contractor S&S capability through participation in Joint Chiefs of **Staff (JSC)** and Commander-in-Chief (CINC) exercises approved in the DLA Joint Training Plan. S&S test requirements need to include a requirement for participation in these exercises.



The processes described in **the** attached DLAD coverage require ICP industrial support teams to play a much larger role in DLA acquisition processes. Industrial capabilities needed for S&S will increasingly be evaluated during the acquisition process (i.e., via evaluation factors and/or contractor-provided S&S capability reports), as well as through traditional government-performed industrial capability assessments in accordance with **DoD** Directive 5000.60 and **DoD** 5000.60-H. S&S capability will be increasingly accessed through contractual arrangements based on competition or, if the need exists to limit competition, based on applications in FAR 6.302-3. The increased reliance on contractual access to S&S capability will necessitate industrial support teams' involvement in defining S&S requirements, evaluating **S&S** capability assessments and S&S test plans, and monitoring S&S testing within **the** context of the acquisition process.

Industrial support teams will continue to monitor overall DLA S&S requirements and, based on this coverage, have the additional responsibility of reviewing the S&S capabilities of numerous contractors and identifying any overlaps in their supplier base capabilities. A new tool for industrial capabilities data collection, called the World Wide Web Industrial Capabilities Assessment Program (WICAP), will enable these efforts. The WICAP data collection tool, available since May 1999, is an automated version of DD Form 2737, Industrial Capabilities Questionnaire. Contractors can now provide industrial base capacity information electronically via the WICAP site, (<http://dscp123.dscp.dla.mil>), instead of completing a hard copy DD Form 2737. **WICAP's** format and automated analytical tools will enable DLA analysis and broad use of contractor inputs.

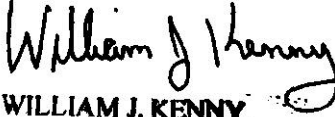
The Defense Priorities and Allocations System (DPAS) should apply to **DLA's** new business arrangements and long-term contracts in accordance with the established DPAS criteria. The ICP business units should contact their DPAS Officers to ensure proper implementation. In **the** case of commercial items, use of the DPAS rating authority is limited to those items not available in sufficient quantities to fully support approved program requirements in a timely manner. On this basis, S&S requirements could qualify for use of rated orders when peacetime requirements do not. There may also be instances where there is a combination of commercial and non-commercial items on the same contract. Under each of these variations, the contracting vehicles need to **define** when, and for what items, DPAS is applicable so that the contractor can use this information in its assessments. The DPAS coverage in DLAD 4105.1 will be modified under a separate PROCLTR to reflect recent changes concerning applicability of DPAS to commercial items.

The attached DLAD 17.93 coverage deletes DLAD 17.93 in its entirety and replaces it with new S&S coverage. Coverage has been added at DLAD **4.7103-2(a)(90)**, **4.7104-2(a)(2)(90)**, **12.301(f)**, and **52.217-9006**. Existing coverage at the following DLAD sites has been modified: **7.104(b)(90)**, **7.104(b)(91)**, **7.104-90(c)**, **90.501**, and **90.1 101(b)(18)**.

This coverage is applicable to all PVNPV, corporate, and long-term contracts awarded after the date of issuance of this PROCLTR. Also, it should be applied retroactively to existing

PV/VPV contracts. Flexibility is provided to develop alternative contractual arrangements for S&S requirements for PV/VPV items, when this is more practical. If adding S&S requirements would be outside the scope of existing contracts, they may be added through bilateral modification after preparing a Justification and Approval and synopsis of the new requirements, if the results of the synopsis reflect that there are no other viable alternatives. If an incremental approach is used to implement this coverage for existing contracts, ICPs must provide an update of their overall implementation plan to DLSC-PON at the beginning of each fiscal year.

This PROCLTR is effective immediately, and remains in effect until it is incorporated into the DLAD. The POCs for this PROCLTR are John King of DLSC-PON (DSN 427-1428, john\_king@hq.dla.mil) and Martha King of DLSC-POA (DSN 427-3755, martha\_king@hq.dla.mil).

  
WILLIAM J. KENNY  
Executive Director  
Procurement Management

Attachment

***4.7103-2(a)(90) To facilitate contract funds accounting, the following contract line items shall be used to establish pricing for contractor provision of surge and sustainment (S&S) elements, if needed, as described in 17.9304(e):***

***CLIN 6000 Definition of S&S requirements***

***CLIN 6001 S&S capability assessment***

***CLIN 6002 S&S investments***

***CLIN 6003 S&S testing***

***CLIN 6004 Maintenance of S&S capability***

***4.7104-2(a)(2)(90) SUBCLINS may be used for the CLINs established under 4.7103-2(a)(90), as necessary. To facilitate contract funds accounting, the following subclins shall be used for CLIN 6003 under 4.7103-2(a)(90) when these subelements are required and pricing needs to be established for them:***

***CLIN 6003 S&S Testing***

***CLIN 6003AA S&S Test Plan***

***CLIN 6003AB Performance of S&S Test***

***CLIN 6003AC S&S Test Report***

7.104(b)(90) The Defense Production Act (DPA) and the Defense Planning Guidance (DPG) require DoD to maintain an adequate production base to promote national security. In this regard, industrial preparedness ~~planning is conducted~~ **actions are taken** to ensure that the industrial base is adequate to offset war reserves **shortfalls** and provide combat support in emergencies. When an item is being considered as an item of supply from a new source, an industrial base analysis **capabilities assessment** for the item should be accomplished or updated. ~~This is particularly important~~ **This assessment is especially important** when the item will be supplied by a single source, as well as when it is an ~~Industrial Preparedness Planning item either for war reserve shortfall or based upon past production history~~ **a critical item with a war reserve shortfall, a critical item that has experienced high demand in previous contingencies, a military unique item, or** a weapon system item coded essentiality codes 1, and 5, ~~or 7, or an item supporting a Commanders in Chief Critical Item List (CINC-CIL) item~~. For these types of items, adequate capacity is necessary to meet S&S requirements ~~and emergency~~. Assessment of newly sourced items is not required if previous analysis on capacity to do an entire family of items (that newly sourced items belong to) shows the new source already has sufficient equipment, facilities, personnel, and materials to meet S&S requirements for the newly sourced items.

7.104(b)(91) ~~Measures to protect and enhance the production base readiness~~ **to ensure S&S requirements (i.e., items, quantities, and delivery terms) are defined, S&S capability is developed, and S&S capability can be tested (as required in DLAD 17.9303)) must be undertaken** any time the procurement support method changes (e.g., such as conversion from individual purchases to prime vendor or corporate contract type arrangements), regardless of the type of concern that will provide the item for all new business arrangements (e.g., prime vendor, virtual prime vendor, corporate contracts, etc.) and long-term contracts. **These measures are especially crucial when the new support method will eliminate or reduce DLA inventories. Acquisition plans for these new arrangements and LTCs must address S&S requirements, capability, and testing. If surge and/or sustainment requirements are not included in the solicitation (e.g., they do not exist, they are covered under other contractual arrangements, they are covered via sufficient peacetime assets, etc.), state this in the acquisition plan and explain the basis for not including them.**

7.104-90(c) For Acquisition Planning Executive Council (APEC) reviews, acquisition plans, reviewed and coordinated by appropriate field functional elements, accompanied by applicable justifications, statements of work, source selection plans and evaluation criteria, and a copy of the proposed solicitation, shall be forwarded by the Chief of the Contracting Office at each DLA contracting activity to the Executive Director, Procurement Management (Attn: ~~MMPOA~~ **DLSC-POA**) for review and approval by the APEC. **DLSC-PON will review acquisition plans submitted for APEC review jointly with DLSC-POA, whenever acquisition plans are required to address S&S capability in accordance with DLAD 7.104(b)(91) and 17.9303.** The information described at 7.104-90(a)(2) should be provided with the acquisition plan, if not provided previously.

***12.301(f) The DLA SPE has approved supplementation of the provisions and clauses in FAR Part 12 to require use of the clause 52.217-9006, Limitations on Surge and Sustainment (S&S) Investments, as prescribed in 17.9308(a), Solicitation and Contract Clauses.***

PART 17

SPECIAL CONTRACTING METHODS

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## ***Subpart 17.93 Surge and Sustainment (S&S)***

### ***17.9300 Scope of subpart.***

***This subpart prescribes policies and procedures for obtaining S&S capability through DLA contracts.***

### ***17.9301 Definition.***

***“New business arrangements,” as used in this subpart, include corporate contracts, prime vendor (PV) contracts, virtual prime vendor (VPV) contracts, and other forms of innovative acquisition.***

***“Newly sourced items,” as used in this subpart, are items that DLA is purchasing for the first time, either because they have just become available in the marketplace (i.e., are being manufactured for the first time), or because DLA has not used them before as an item of supply.***

***“Quarterly Program Review (QPR),” as used in this subpart, includes periodic reviews between the Inventory Control Point (ICP) industrial support teams and DLA Headquarters to discuss progress made against readiness metrics, progress in incorporating well-defined S&S requirements, S&S capability assessments, and S&S testing in DLA’s new business arrangements, industrial preparedness measures, and industrial preparedness funding.***

***“Surge and sustainment (S&S),” as used in this subpart, means the ability of the industrial base to meet increased quantity/accelerated delivery requirements, using industrial capabilities, across a broad spectrum of possible contingencies. This includes both the capability to ramp-up quickly to meet early requirements (i.e., surge), as well as to sustain an increased pace throughout the contingency(ies) (i.e., sustainment). The spectrum of possible contingencies includes major theatre warfare and smaller-scale contingency operations as defined in the Defense Planning Guidance. The increased quantity/accelerated delivery requirements are those above and beyond normal peacetime requirements.***

### ***17.9302 Background.***

***(a) The primary mission of DLA is to support the warfighter in peace and during contingencies (i.e., major theatre war and smaller-scale contingencies). The ability to ramp-up quickly to meet early requirements (i.e., surge), and to sustain an increased pace throughout the contingency, are critical to the execution of U.S. military strategy. DLA’s designation as a Combat Support Agency makes it directly responsible for the timely support of critical material to the Commander-in-Chiefs (CINCs) of Unified and Specified Commands in support of their operational requirements. Because of DLA’s unique role, S&S capability must be a primary consideration in all acquisition strategies and resource investments.***

***(b) The following are existing statutory, regulatory, and policy coverage related to S&S:***

- (1) Defense Planning Guidance***
- (2) Joint Publication 4-0, Doctrine for Logistics Support of Joint Operations (Internet site: [www.dtic.mil/doctrine/index.html](http://www.dtic.mil/doctrine/index.html)).***
- (3) Defense Production Act of 1950***
- (4) Defense Priorities and Allocations System, 15 CFR 700***
- (5) DoD 4400.1-M, Department of Defense Priorities and Allocations Manual***
- (6) House Report 102-311 for FY 93 Defense Authorization Act***



- (7) DoD Directive 3110.6, War Reserve Materiel Policy*
- (8) DoD Directive 5000.60, Defense Industrial Capabilities Assessments*
- (9) DoD 5000.60-H, A DoD Handbook: Assessing Defense Industrial Capabilities.*

**17.9303 Policy.**

*(a) In the past, DLA inventories have played a large role in meeting contingency requirements. As DLA continues to downsize and reduce its own inventories, new strategies must be developed to assure access to commercial inventories and production capabilities or other industry-based solutions that will enable DLA to satisfy contingency needs. As DLA adopts new business practices that increasingly rely on contractors to provide a full range of integrated logistics support services, S&S capability must also be developed within the contractors' supplier bases and included as part of their contract support.*

*(b) The contracting officer shall –*

- (1) Consider S&S in all peacetime acquisition strategies;*
- (2) To the maximum extent possible, include S&S in DLA's new business arrangements and other long-term contracts;*
- (3) Develop alternative contractual arrangements for surge and/or sustainment, if more practical than under DLA's new business arrangements and long-term contracts; and*
- (4) Obtain access to S&S capability through contractual, versus non-contractual, arrangements, to the maximum extent possible.*

*(c) The contracting officer shall include the following elements in new business arrangements and long-term contracts with S&S.*

- (1) A clear definition of S&S requirements (i.e., items, quantities, and delivery terms).*
- (2) A requirement that the contractor conduct an assessment of its capability to meet S&S requirements, identify shortfalls, and develop S&S strategies for all items.*
- (3) A requirement for participation in S&S tests (to include participation in the Joint Chiefs of Staff (JCS) and CINC exercises approved in the DLA Joint Training Plan).*

**17.9304 Acquisition strategy for new business arrangements and long-term contracts.**

*(a) Clear definition of S&S items, quantities, and delivery terms.*

*(1) Clear definition of S&S items, quantities, and delivery terms provides a baseline against which the offeror/contractor can assess its supplier base capabilities and determine shortfalls. It also provides a baseline against which the offeror/contractor's S&S performance can be measured, and for which the contractor can be held accountable.*

*(2) In determining S&S items, consider all items to be included in the new business arrangements and long-term contracts for which increased demands are anticipated during a contingency. Items for which increased demands are anticipated may be excluded only if an industrial base analysis or market research has been performed and contractual arrangements have already been made to access sufficient S&S capability, or DLA peacetime assets that can reasonably be associated with the business base covered under the contract are sufficient to cover the full S&S requirement. The latter exception needs to be reassessed periodically, as assets may be drawn down over time. Report all exclusions and their basis in the Acquisition Plan and, if an Acquisition Planning Executive Council (APEC) review is not accomplished, in the QPR or directly to DLSC-PON.*

*(i) In some cases, it may be appropriate or advantageous to:*

*(A) Include S&S portions (e.g., surge portion or sustainment portion) under separate contracts.*

*(B) Include surge and/or sustainment requirements for a broader customer base than that served for peacetime support under the contract.*

*(C) Include provisions for one contractor to act as a back up for another contractor.*

*In these cases, clearly define in the Acquisition Plan the portion (e.g., surge or sustainment) included in the contract for the peacetime customer base supported under the contract, and any additional surge and/or sustainment requirements included in the contract.*

*(3) Commodity expertise, historical demand during previous contingencies, Military Service (MILSVC) input, shortfalls from the War Material Requirement or the World Wide Web Industrial Capabilities Assessment Program (WICAP) Analytical Tool (<http://dscp123.dscp.dla.mil>), and any other information available can be used to define the quantities and delivery terms of S&S items. The S&S quantities shall reflect an overall capability that encompasses the potential for multiple contingencies during the life of the contract, each of which involves a ramp-up and sustainment period.*

*(4) The definition of S&S requirements should be realistic. This requirements definition is not intended to constrain the contractor from providing parts support exceeding that defined, if needed during an actual contingency and if the contractor is able to provide it.*

*(5) Clear definition for individual acquisitions may necessitate intensive work with MILSVC customer(s). ICP industrial support teams shall play a large role in the definition process, including interfacing with MILSVC customers. Their knowledge of War Reserve Material, shortfalls identified through the DLA War Reserve Program, weapon systems and components considered to be of critical importance to the CINCs, industrial base capabilities and shortfalls, and existing industrial base solutions shall be considered for the items under each acquisition. Also, industrial support teams need to be an integral part of individual acquisition processes to enable their visibility of S&S capabilities from numerous sources, and their identification of potential integration issues (such as multiple distributors using the same manufacturing sources).*

*(6) The basis for development of the S&S requirements shall be documented in the Acquisition Plan. When only a portion (e.g., either surge portion or sustainment portion of the requirement) is included in the contract, identify the portion included, and the other contractual arrangement(s) that cover the remaining portion.*

*(7) There may be instances where definition of S&S requirements (i.e., surge items, quantities, and delivery terms) cannot be achieved prior to award. Under these circumstances, the contracting officer shall identify who will perform this definition and in what time frame. Also, S&S items, quantities, and delivery terms may change during the contract period. To address this, the contracting officer may include requirements for periodic reassessments and bilaterally agreed-upon redefinition. In both instances, the amount of time that S&S items, quantities, and delivery times are indefinite shall be minimized, to prevent lack of coverage and inability to measure contractor performance.*

*(8) Inclusion of S&S requirements does not negate the contractor's responsibility to fulfill peacetime level requirements under the contract, even during contingencies.*

*(b) Contractor assessment of S&S capability.*

*(1) Assurance that contractors' S&S capabilities actually exist is of paramount importance. Without this assurance, DLA's capability to support the warfighter could be*

*seriously degraded. This assurance shall be obtained by requiring the contractor to conduct an assessment of its capabilities to meet S&S requirements and to report the outcome of this assessment.*

*(2) A S&S evaluation factor, or a contract requirement for a post-award S&S capability assessment shall be used to ensure the contractor actually has the required S&S capability. When S&S capability can easily be assessed (e.g., when item population is small, or consists of parts from only one source), a detailed S&S evaluation factor by itself may be sufficient to provide assurance that S&S capability actually exists. In cases where substantial effort is needed to determine S&S capability (e.g., complex acquisitions requiring the contractor to provide numerous parts from various suppliers), a contract requirement for a S&S capability assessment and submission of a S&S capability report shall be used. When the S&S capability assessment will be conducted after award, a S&S evaluation factor should also be used to determine, prior to award, the contractor's ability to perform the S&S capability assessment. ICP industrial support staff shall participate in all evaluations of contractors' proposals under S&S evaluation factors, and in evaluations of S&S capability reports. Defense Contract Management Command (DCMC) in-plant personnel may be consulted for verification of contractor capabilities or assessment of any contractor identified "problem items" (i.e., items for which S&S cannot be easily met) and proposed investment strategies.*

*(3) In some circumstances, post-award S&S capability assessments may be complex and resource intensive. In these cases, industrial support staff may request industrial preparedness funds from DLSC-PON to cover the contractor's cost of performing the post-award S&S capability assessment. Program Description and Approval Documents (PDADs) requesting these funds must include the S&S requirements (i.e., items, quantities, and deliveries), the basis for these requirements, and within what time frames during the contingency (i.e., beginning, middle, end) these requirements will be needed; a detailed explanation of the S&S assessment work to be conducted; and the contractor's estimate of S&S assessment costs (with basis of the estimate).*

*(4) The following information shall be obtained through the S&S evaluation factor or S&S capability report:*

*(i) Contractor's methodology enabling visibility of supplier base resources on a continuing basis;*

*(ii) Identification of supplier base inventories, production capability, on-demand manufacturing and advanced technology capabilities, or any other means of support available to meet S&S requirements and, based on this identification, a description of S&S strategies for all items;*

*(iii) Identification of "problem" items for which S&S cannot be easily met, proposed solutions for these items, and any significant investments (dollars or otherwise) needed to implement these solutions;*

*(iv) Description of access to, and plans for, coordinating distribution and transportation services for meeting S&S requirements; and*

*(v) Contractor's agreements with suppliers and service providers that reflect access to S&S resources.*

*(vi) Clear identification of any significant investments (dollars or otherwise) under (iii) or other subparagraphs above, needed to develop S&S capability, with the following information:*

*(A) Why the investment is needed.*

*(B) What will be purchased with the investment.*

*(C) Basis for the investment cost.*

*(D) The S&S capability to be gained from the investment.*

*(E) For investments to effect S&S strategies, an analysis of what strategies were considered and why the proposed strategies are the most cost effective ones.*

*(5) When evaluating contractors' past performance, consider past experience in conducting S&S assessments and providing S&S requirements. Offerors', and their suppliers', participation in the industrial capabilities data collection effort (electronic submission via DLA's WICAP) or hard copy (DD Form 2737 submission) shall be considered as past experience in conducting S&S assessments.*

*(6) For items that the contractor already knows are readily available and accessible in sufficient quantities to meet the S&S requirements, a contractor-signed statement may be used in lieu of obtaining the more extensive S&S assessment information in 17.9304(b)(4). This statement shall contain*

*(i) The contractor's rationale for concluding the S&S items are readily available and*

*(ii) The contractor's ability to meet the S&S requirements through access to these resources.*

*The commercial nature of an item, in and of itself, is not an adequate rationale for concluding the item is readily available. The statement shall be accompanied by a description of access to, and plans for, coordinating distribution and transportation services for meeting S&S requirements.*

*(7) S&S solutions.*

*(i) Use industry-based solutions for S&S, such as access to commercial inventories and production capabilities, to the maximum extent possible. In cases where existing commercial capabilities or access to these capabilities fall short of anticipated S&S quantities and delivery terms (i.e., "problem" items), it may be necessary to make S&S investments. If so, industrial support staff may request industrial preparedness funds from DLSC-PON to finance these solutions.*

*(ii) Industrial preparedness funds can only be used to fund S&S solutions—*

*(A) Based on S&S quantities no greater than those estimated for the wartime scenario set forth in the DPG (e.g., two major theatre wars). This limitation is based on the expectation that quantities needed for smaller-scale contingency operation(s) would be much lower than those needed for major theatre wars, and therefore would be covered by the larger estimate;*

*(B) When commercial capabilities, such as commercial inventories and production capabilities, are insufficient or inaccessible;*

*(C) When substitute items or alternate manufacturing processes are not available;*

*(D) After existing DLA and MILSVC customers' assets (when MILSVC customer base is limited) have been reduced to the minimum amount to be maintained for peacetime support under the new support method, or to an amount close to that minimum;*

*(E) That are the most cost-effective means of ensuring S&S capability; and*

*(F) For DLA-managed items.*

*(iii) Examples of S&S solutions that can be funded with industrial preparedness funds are--*

*(A) Access to commercial capabilities, if efforts to obtain such access at no cost are unsuccessful.*

*(B) Raw materials and partially finished parts needed to provide long lead-time items in short time frames, not finished parts;*

*(C) Contractors' storage costs for S&S materials;*

*(D) Production tooling needed to expand production capability beyond that needed to meet peacetime requirements.*

*(iv) Use of S&S investments. S&S investments—*

*(A) Cannot be used as safety stock to support peacetime spikes in demand;*

*(B) Can be used to support smaller-scale contingencies;*

*(C) Are for use in support of major theatre wars.*

*(v) (A) Industrial support staff shall submit PDADs to DLSC-PON to obtain industrial preparedness funds for S&S solutions. PDADs must include a description of the S&S requirements (i.e., items, quantities, and deliveries), the basis for these requirements, and the time frames during the contingency (i.e., beginning, middle, end) when these requirements will be needed; the reason solutions are needed for this specific set of items (e.g., long lead-time items and insufficient contractor supplier base inventories or production capability, and DLA and MILSVC (when the MILSVC customer base is limited) inventories); and a detailed explanation of what will be purchased, the S&S capability gained through the investment (i.e., level and time period of coverage provided), the estimated cost of the solutions (with basis for these costs), an analysis of what S&S strategies were considered and why the proposed strategies are the most cost effective ones, and the strategy for handling S&S investments at the end of the contract.*

*(B) Because industrial preparedness funds are programmed, notification to DLSC-PON of potential need should be provided as soon as possible. S&S efforts and solutions to be funded with industrial preparedness funds should also be incorporated into ICP business plans, with yearly costs projected through the POM cycle.*

*(vi) The contracting officer, through ICP industrial support staff, shall—*

*(A) Obtain approval from DLSC-PON for any exceptions to use of industrial preparedness funds defined in paragraphs (ii) and (iii) of this subsection, prior to obligation of these funds.*

*(B) Notify ICP readiness staff and DLSC-PON when S&S investments are used for smaller-scale contingencies, so they are aware of the impact on readiness for potential major theatre wars.*

*(vii) The approach for handling S&S investments at the end of the contract (or in the event of termination of the contract), and whether S&S investments will be considered government property, must be included in the Acquisition Plan and PDAD. The approach should be coordinated with legal and comptroller staff, to ensure any statutory, regulatory, or policy guidance concerning government property and appropriate use of funding are met. Any changes in the approach, made as a result of negotiations, should be reported to DLSC-PON prior to award of the contract (or, if in the post-award phase, prior to issuing the contract modification).*

*(c) S&S tests.*

*(1) Once S&S capability has been developed through conduct of a S&S capability assessment and implementation of any necessary S&S investments, S&S tests can be performed to validate the developed capabilities. A requirement for S&S testing shall be included in all DLA contracts that include contractor-provided S&S capability. The requirement shall include, but is not limited to, participation in JCS and CINC exercises*

*approved in the DLA Joint Training Plan, and testing of both ramp-up (i.e., surge) and sustainment capabilities. S&S tests may also be paper exercises, simulations, participation in live exercises, command post exercises, or any other methodology that can validate the S&S capability.*

*(2) The contracting officer shall also consider requiring--*

*(i) Contractor submission of S&S test plans, as the contractor's methodologies for gaining visibility of supplier base capabilities may enable cost-effective Government or contractor testing within an already existing structure for monitoring supplier base capabilities;*

*(ii) Contractor submission of S&S test reports describing S&S test performance;*

*(iii) Remedial actions for any deficiencies identified during S&S testing.*

*(3) If needed, industrial support staff may request industrial preparedness funds from DLSC-PON to cover these costs:*

*(i) Development of test plans.*

*(ii) Actual test costs (except purchase of parts themselves).*

*(iii) Development of test reports.*

*(4) PDADs must include the S&S requirements (i.e., items, quantities, and deliveries), the basis for these requirements, and when these requirements will be needed (i.e., at beginning or end of the contingency); a description of the test function(s) (development of S&S test plan, performance of S&S tests, development of S&S test reports) to be purchased; and the estimated costs and their basis.*

*(d) Maintaining S&S capability. The contractor needs to maintain S&S capability once it is established. Periodic redefinition of S&S requirements by the Government (or contractor), and reassessments of supplier base capabilities by the contractor may be necessary, especially if items are added after award of the contract. For contracts allowing items to be added after award, include in the Acquisition Plan the approach for the added items, for: defining S&S requirements, obtaining the contractor's assessment of surge capability, and addressing surge testing. Industrial preparedness funds may be used to cover contractor costs to maintain the capability, if needed. Requests for such funds should be part of the original PDAD to obtain funds for S&S assessment and testing, and to show the basis for the maintenance costs.*

*(e) Separate contract line items (CLINs) and SUBCLINs are required, as specified in 4.7103-2(a)(90) and 4.7104-2(a)(2)(90), for each S&S element (i.e., definition of S&S requirements, S&S capability assessment, S&S investments, S&S testing, maintenance of S&S capability) to be financed through industrial preparedness funds. Visibility of element costs will facilitate industrial preparedness budget planning for future S&S efforts.*

*(f) The following methods may be used to overcome barriers to contractor provision of S&S capability, or to such provision at a reasonable cost:*

*(1) Compete S&S requirements to the maximum extent possible.*

*(2) Hold industry conferences or pre-proposal conferences.*

*(3) Elevate negotiations.*

*(4) As a last resort, obtain partial capability, if available and if such action is in the best interests of the Government.*

*(g) Reporting requirements.*

*(1) For each new PV/VPV initiative, ICP industrial support staff shall report to DLSC-PON on how S&S will be addressed in the acquisition, prior to award of the PV/VPV contract. If an APEC is conducted on the initiative, this reporting can be accomplished via the APEC*

*process. If an APEC is not conducted, this reporting can be accomplished during the Quarterly Program Review (QPR) (if QPR occurs prior to award) or directly to DLSC-PON (if award will occur prior to the QPR). For corporate and other long-term contracts, ICP industrial support staff may be required to report on S&S coverage in these contracts on an ad hoc basis.*

*(2) After award of PV/VPV initiatives, the status of S&S actions taken under these initiatives shall be reported to DLSC-PON during the QPRs.*

*(3) If contractor provision of S&S capability is not possible, after all potential avenues for providing such capability have been explored and negotiations have been elevated to the level of the ICP Commander/Director, the lack of S&S coverage shall be documented in the contract file and reported to DLSC-PON prior to contract award. If the contractor is not the sole manufacturer, also report your plans to pursue alternative strategies to obtain S&S coverage.*

#### *17.9305 Other acquisition strategies.*

*(a) Other acquisition strategies must be pursued:*

*(1) If surge and/or sustainment capability cannot be obtained through peacetime contracts identified in subpart 17.9304;*

*(2) If it is more practical to obtain surge and/or sustainment capability through alternative contractual arrangements than through peacetime contracts identified in subpart 17.9304; and*

*(3) To cover S&S requirements for items not under new business arrangements and long-term contracts.*

*(b) Industrial support staff must identify S&S items and work with contracting staff to ensure S&S capability is developed for items in (a)(3) above.*

*(c) Examples of acquisition methods that may be used are:*

*(1) Stock rotation contracts and other forms of vendor-managed inventory arrangements;*

*(2) Third party shared production or shared inventory agreements with manufacturers and their commercial customers;*

*(3) Industrial base maintenance contracts;*

*(4) Minimum sustaining rate (MSR) contracts;*

*(5) Corporate exigency contracts (i.e., acquiring visibility of and access to industrial base resources).*

#### *17.9306 Other issues.*

*(a) Defense conversion (i.e., contractors' decreased dependence on Government contracts based on developing or expanding a commercial base of customers) and use of dual use technologies should be encouraged, when appropriate, to avoid maintaining expensive defense unique production capabilities.*

*(b) Prepositioned Government-furnished equipment (GFE) or leasing arrangements may be used as means of augmenting contractors' production capabilities in order to meet contingency requirements. This is appropriate whenever industry is unable or unwilling to invest in capital equipment due to diminishing peacetime requirements. Providing GFE should also be considered as a means of disseminating dual-use technology to industries supplying critical items to facilitate their cultivation of commercial business. Storage and*

*maintenance agreements should also be negotiated to facilitate contractor maintenance of the GFE in their possession.*

***17.9307 Surge and sustainment (S&S) requirements for commercial items.***

*(a) The current environment of downsizing and inventory reduction necessitates reliance on the commercial capabilities to fulfill S&S requirements. When S&S requirements for commercial items exist, the government's S&S needs may necessitate incorporating S&S terms and conditions. This may include tailoring inconsistent with customary commercial practice. See FAR 12.302(c). DLSC-P has obtained the approval required by FAR 12.301(f) to include the clause at 52.217-9006 in solicitations and contracts for commercial items made under FAR Part 12.*

*(b) The following addresses use of S&S requirements and related terms and conditions in commercial item contracts:*

*(1) If S&S requirements are cost-based, they cannot be included under FAR Part 12 procedures because of the statutory prohibition on use of cost type contracts for commercial items. Any such requirements would be considered a separate "non-Part 12" requirement. However, cost-based S&S requirements can be placed on the Part 12 contract, along with non-Part 12 terms and conditions applying to them, for convenience.*

*(2) If S&S requirements are fixed price, the contracting officer will need to determine whether the S&S requirement is part of the commercial item requirement for the parts themselves or constitutes a separate requirement, and to document the basis for this determination in the contract file. This determination would include an assessment of the S&S requirement based on the definition of "commercial item" in FAR 2.101.*

*(i) When the S&S requirement is part of the commercial item requirement, Part 12 terms and conditions apply to the S&S requirement. The contracting officer will then need to determine whether any S&S terms and conditions to be used are consistent with customary commercial practice or not.*

*(A) When consistent with customary commercial practice, the contracting officer must document this finding in the contract file and can incorporate the commercially consistent S&S terms and conditions. No approval is required.*

*(B) When inconsistent with customary commercial practice, the contracting officer must follow the policy regarding tailoring at FAR 12.302(c).*

*(ii) When the S&S requirement is a separate requirement, the contracting officer will need to determine whether the requirement meets the definition of a commercial item, and to document the basis for this determination in the contract file.*

*(A) When the S&S requirement meets the definition of a commercial item, FAR Part 12 terms and conditions apply to the S&S requirement.*

*(a) When any S&S terms and conditions to be used are consistent with commercial practice, the contracting officer must document the finding of consistency in the contract file, and can incorporate the commercially consistent S&S terms and conditions in the solicitation and the resulting contract.*

*(b) When any terms and conditions to be used are inconsistent with customary commercial practice, the contracting officer shall follow the policy regarding tailoring at FAR 12.302(c).*

*(B) When the S&S requirement does not meet the definition of a commercial item, FAR Part 12 terms and conditions cannot apply to the S&S requirement, but the S&S*



*requirement can be placed on the Part 12 contract, along with applicable non-Part 12 terms and conditions.*

***17.9308 Solicitation provision and contract clause.***

***(a) The contracting officer shall insert the clause at 52.217-9006, Limitations on Use of Surge and Sustainment (S&S) Investments, in solicitations and contracts when use of industrial preparedness funds for surge and/or sustainment solutions is contemplated. The Contracting Officer, through ICP industrial support staff, shall obtain the approval of DLSC-PON prior to authorizing any exceptions to this clause, including any access requested under paragraph (h) of the clause.***

PART 52

SOLICITATION PROVISIONS AND CONTRACT CLAUSES

TABLE OF CONTENTS

\* \* \* \*

SUBPART 52.2 - TEXT OF PROVISIONS AND CLAUSES

\* \* \* \*

***52.217-9006 Limitations on Surge and Sustainment (S&S) Investments.***

\* \* \* \*

**52.217-9006 Limitations on Use of Surge and Sustainment (S&S) Investments.**

**As prescribed in 17.9308(a), insert the following clause in solicitations and contracts.**

***Limitations on Surge and Sustainment (S&S) Investments***

***(July 1999) - DLAD***

***The contractor shall limit investment in surge and sustainment (S&S) materials or other S&S capabilities paid for through DLA's industrial preparedness funds in the following ways:***

***(a) These investments can only be made to meet S&S requirements in support of -as defined in the Defense Planning Guidance (i.e., major theatre warfare or smaller scale contingencies). They cannot be made to meet spikes in peacetime demand, nor to meet peacetime level quantities supplied during a contingency.***

***(b) Investments shall not be made when substitute items or alternate manufacturing processes are available.***

***(c) Investments must be the most cost-effective means of ensuring S&S capability.***

***(d) Investments shall be made only for raw materials and partially finished parts needed to provide long lead-time items in shorter time frames. Investments in finished parts or in support of items with short lead-times cannot be made.***

***(e) Only when the level of DLA and MILSVC (when MILSVC customer base is limited) assets related to the specific customer base served under the contract, and commercial inventories and production capacities in the contractor's supplier base are insufficient to meet both peacetime and S&S requirements, should S&S investments in materials be made.***

***(f) Investments shall not be made for MILSVC-managed items.***

***(g) S&S investments made shall not be used as safety stock (i.e., to meet peacetime spikes in demand).***

***(h) The contractor shall not access S&S investments for any purpose other than to support the contingencies defined in the Defense Planning Guidance indicated in paragraph a, unless such access has been authorized by the Contracting Officer in writing. Offerors/contractors shall describe any desired access to the S&S investments and consideration offered to the government for this access in their S&S proposals/S&S capability reports. However, written approval from the contracting officer must be provided prior to implementing any proposed access.***

***(End of clause)***

## 90.501 Checklists

\* \* \*

### Contract Review Checklist – Supplies/Services

***12. Does the acquisition plan define S&S requirements (items, quantities, delivery terms), ensure S&S capability is developed, and include S&S testing in accordance with 7.104(b)(91) and 17.9303(c)? Does the acquisition plan provide all the information required in 90.1101(b)(18) regarding S&S?***

#### TAB NO. 4 JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION

***~~12.~~ 13.*** Was contracting without providing for full and open competition justified? (FAR 6.303-1)

#### TAB NO. 5 DETERMINATION & FINDINGS

***~~13.~~ 14.*** Was a justification for use of option prepared? (FAR 17.205(a))

***~~14.~~ 15.*** If option is not to be evaluated, was a determination approved at a level above the contracting officer? (FAR 17.206(b))

***~~15.~~ 16.*** If for full and open competition after exclusion of sources, was a D&F prepared? (FAR 6.202(b)(1))

#### TAB NO. 6 NONPERSONAL SERVICES DETERMINATION

***~~16.~~ 17.*** If nonpersonal services involved, was determination issued? (53.201-92(b)(3)(iv))

#### TAB NO. 7 DOL WAGE DETERMINATION

***~~17.~~ 18.*** Was a wage determination requested? (DLAD 53.201-92(b)(3)(v))

***~~18.~~ 19.*** If wage determination obtained, is it current or does file contain documentation authorizing extension?

#### TAB NO. 8 SMALL BUSINESS SET-ASIDE DETERMINATION

***~~19.~~ 20.*** Does information provided support the determination? (FAR 19.501(c)/DLAD 53.201-92(b)(3)(vi))

***~~20.~~ 21.*** Is withdrawal/modification of the initial set-aside determination explained? (FAR 19.506(c))

~~21.22.~~ If applicable, has a nonavailability determination been prepared and approved pursuant to DFARS 225.102/DLAD 25.102?

#### TAB NO. 11 SOURCE LIST

~~22.23.~~ List includes those initially solicited and those added as a result of requests, with dates for the latter? (53.201-92(b)(3)(vii))

~~23.24.~~ Is the list excessively long? (FAR 14.205-4(a))

~~24.25.~~ Is list annotated as to “no bids” received? (FAR/DLAD 14.205-2)

#### TAB NO. 12 PRESOLICITATION NOTICE

~~25.26.~~ Should preinvitation notices (FAR 14.205-4(c)) or presolicitation notice (FAR 15.404(a)) have been used?

~~26.27.~~ If used, does presolicitation notice conform to FAR 15.404(b)(2)?

#### TAB NO. 13 SYNOPSIS

~~27.28.~~ Copy of transmittal in file?

~~28.29.~~ In proper format? (FAR 5.207/DFARS 205.207)

~~29.30.~~ No synopsis; justification adequate? (FAR 5.202)

~~30.31.~~ Was adequate time allowed? (FAR 5.203)

#### TAB No. 14 SOLICITATION & AMENDMENTS

~~31.32.~~ Was solicitation issued in a timely manner?

~~32.33.~~ Do solicitation provisions reflect PR/MIPR requirements?

~~33.34.~~ If oral solicitation, does file contain justification for its use? (FAR 15.402(f))

~~34.35.~~ Bidding time/FRP response time adequate? (FAR 5.203 and 14.202-1)

~~35.36.~~ Format in accordance with FAR 14.201-1 (IFB) or 15.406-1 (RFP)?

~~36.37.~~ Were amendments sent to all originally solicited? (FAR 14.208/15.410/15.606)

~~37.38.~~ Were amendments properly dated? (DLAD 53.201-92(b)(3)(viii))

~~38.39.~~ Are solicitation clauses and provisions current/complete? (FAR 14.201-6/15.406-3)

**39.40.** Does solicitation include evaluation factors? (15.612-90(a)/15.406-5(c))

**41.** *Does the solicitation address S&S requirements, capability, and testing as outlined in the Acquisition Plan (90.501(a)12.)?*

TAB NO. 18 ABSTRACT OF OFFERS

**40.42.** Abstract of bids/proposals: (FAR 14.403)

- (1) Signed and dated?
- (2) All bids/offers entered properly?
- (3) Exceptions noted? (53.201-92(b)(4)(i))

TAB NO. 19 PACKAGING/TRANSPORTATION/FREIGHT RATE DATA

**41.43.** Packaging/transportation/freight rate data obtained and determined to be adequate? (53.201-92(b)(4)(ii))

TAB NO. 20 COST/PRICING DATA

**42.44.** Were cost or pricing data requested in the solicitation? (FAR 15.804-6(a))

**43.45.** When cost or pricing data are required, has the contracting officer obtained the Certificate of Current Cost or Pricing Data? (FAR 15.804-4(a))

**44.46.** Was SF 1448 submitted when cost or pricing data are not required but the contracting officer has requested information to help establish price reasonableness or cost realism? (FAR 15.804-6(b)(2))

**45.47.** If cost or pricing data submitted, is it in file?

**46.48.** If cost or pricing data were required, has the contracting officer indicated the extent to which he/she has relied on the data and recognized as inaccurate, incomplete or non-current any cost or pricing data submitted? (FAR 15.808(a)(5))

**47.49.** If cost or pricing data were or were not requested, does the file provide the exception used and basis for it? (FAR 15.808(a)(6))

TAB NO. 21 AUDIT REPORT/WAIVER/FIELD PRICING REPORT

**48.50.** Was field pricing support obtained (DCAA audit; DCAS pricing/technical report)? (DFARS 215.805-5(A))

**49.51.** If not, was waiver executed? (DFARS 215.805-5(B))

**~~50.52.~~** Was independent price analysis performed by the cost/price analysis element? (15.805-1(b)(90)(1) and (2))

**TAB NO. 22 PRICE/COST ANALYSIS**

**~~51.53.~~** If sole bid received, is the file documented to reflect actions taken and rationale used to determine the reasonableness of prices? (14.408-2(90))

**~~52.54.~~** Was weighted guidelines analysis prepared? (FAR 15.903(b)/ DFARS 215.903(b))

**~~53.55.~~** If prior contracts were used in the price analysis, were the price reasonableness determinations of those contracts stated? (FAR 15.805-2(b))

**~~54.56.~~** Were realistic negotiation objectives established? (15.807(b)(92)(3))

**TAB NO. 23 PRENEGOTIATION BRIEFING MEMO**

**~~55.57.~~** Was prenegotiation briefing presented to appropriate authority prior to negotiations? (15.807(b)(91))

**~~56.58.~~** Does prenegotiation briefing memorandum clearly establish basis for negotiating position?

**~~57.59.~~** Does it include all of the required elements? (15.807(b)(92))

**~~58.60.~~** Was basis for decision to negotiate, or decision to accept the initial offer without discussion, documented? (FAR 15.402(d) and FAR 15.610(a)) and DLAD 15.807(b)(92)(4)

**~~59.61.~~** Is prenegotiation briefing memorandum signed and dated?

**~~60.62.~~** Was a comparative schedule (spread sheet) prepared as required by 15.807(b)(92)(4)?

**~~61.63.~~** If negotiation objectives were changed or exceeded, was prenegotiation briefing authority notified? (15.807(b)(94))

**TAB NO. 24 PRICE NEGOTIATION MEMO**

**~~62.64.~~** Were negotiations conducted on an individual cost element basis?

**~~63.65.~~** Was option quantity considered in negotiations? (DLAD 15.804(a)(1)(i)(B))

**~~64.66.~~** Was rent-free use of Government property considered in the negotiations?

**~~65.67.~~** Was authority obtained for rent-free use from cognizant administrative contracting officer?

~~66.68.~~ Was appropriate contract type selected?

~~67.69.~~ Was common cutoff date for negotiations established with all offerors? (FAR 15.611(b)(3))

~~68.70.~~ Does price negotiation memorandum (PNM) format conform with FAR 15.808(a)/DFARS 215.808(a)/DLAD 15.808(a)?

~~69.71.~~ Does the PNM clearly and conclusively support price reasonableness determination? (DLAD 15.808(a))

~~70.72.~~ Is statement of same included in the PNM? (DLAD 15.808(a))

~~71.73.~~ Is the PNM signed and dated?

***74. Does the PNM document any negotiated changes to the S&S provisions (including those related to handling surge investments at the end of the contract), document (where it occurs) inability to obtain S&S capability and alternative plans as required in 17.9304(g)(3), and include a finding that any surge investments proposed are the most cost effective solutions?***

#### TAB NO. 25 CERTIFICATE OF COST OR PRICING DATA

~~72.75.~~ Was certificate of current cost or pricing data obtained? (FAR 15.804-4)

~~73.76.~~ Were option requirements included?

#### TAB NO. 27 PREAWARD SURVEY/WAIVER

~~74.77.~~ Was preaward survey conducted or a document executed by the contracting officer to not request PAS? (FAR 9.106 and DLAD 9.106-1)

#### TAB NO. 28 EEO CLEARANCE

~~75.78.~~ If the preaward survey report recommendation is not followed, has the case been reviewed and concurred in by the Chief of the Contracting Office? (DLAD 9.105-2(b))

~~76.79.~~ If \$1 million or more, was the equal employment opportunity clearance report obtained? (FAR 22.805(a))

#### TAB NO. 29 BID/OFFER EVALUATION

~~77.80.~~ Was evaluation conducted in accordance with solicitation criteria? (FAR 15.608(a))

~~78.81.~~ Was price considered where technical evaluation is required? (FAR 15.605(b))



**TAB NO. 30 CAS COVERAGE**

**~~79.82.~~** Is this a CAS-covered contract? (FAR 30.201-1)

**~~80.83.~~** If a Disclosure Statement is required, did the contractor:

- (1) Submit same?
- (2) Execute a certificate of monetary exemption?
- (3) Execute certificate of interim exemption?
- (4) Execute a certificate of previously submitted disclosure statement?

**TAB NO. 34 UNSUCCESSFUL BIDS/PROPOSALS**

**~~81.84.~~** Nonresponsive determinations reviewed and concurred? (FAR 9.105-2)

**~~82.85.~~** Nonresponsibility determination in file? (FAR 9.105-2(a))

**~~83.86.~~** Unsuccessful bids/proposals included in the file?

**~~84.87.~~** Were unsuccessful bidders/offerors notified promptly? (DLAD 14.409-1(b)/FAR 15.1001)

**~~85.88.~~** If small business determined to be nonresponsible, was a certificate of competency obtained? If not, why not? (FAR 19.6)

**TAB NO. 35 MISTAKE IN BID/PROPOSAL**

**~~86.89.~~** Does the file contain the administrative determination required by FAR 14.407-3(e)/DFARS 214.407-3(e)?

**~~87.90.~~** Concurrence by counsel obtained? (FAR 14.407-3(f))

**TAB NO. 36 DETERMINATION OF LATE BID/PROPOSAL**

**~~88.91.~~** Disposition of late bids/proposals adequately documented? (FAR 14.304-3 and FAR 15.412)

**TAB NO. 37 CONTRACT ANNOUNCEMENT**

**~~89.92.~~** Was the \$5 million Contract Announcement forwarded? (FAR 5.303 /DFARS 205.303/DLAD 5.303)

**TAB NO. 38 INDIVIDUAL CONTRACT ACTION REPORT**

**~~90.93.~~** Is DD Form 350, Individual Contracting Action Report, in the file? (DFARS 204.670-3)

TAB NO. 39 LOCAL CONTRACT REVIEW COMMENTS

~~91.94.~~ Have all local CRO comments been addressed prior to forwarding for HQ DLA review? (DLAD 1.690-7(b))

SECTION C - OTHER SUPPORT DATA

~~92.95.~~ Was a subcontracting plan for Small and Small Disadvantaged Business concerns obtained and approved, if required? (FAR 19.702)

~~93.96.~~ If a plan was not obtained, was a determination made that subcontracting possibilities do not exist? (FAR 19.705-2(c))

~~94.97.~~ If royalty payments involved, did General Counsel, HQ DLA concur? (FAR 27.204-1(b)/DLAD 27.000-90)

~~95.98.~~ Should this item be referred to the Competition Advocate?

~~96.99.~~ Is the contractor on the "Parties Excluded from Procurement Programs?" (FAR 9.405(b))

~~97.100.~~ If a warranty provision contemplated, were the criteria of FAR 46.7 considered?

~~98.101.~~ If provision for progress payments contemplated, is it appropriate? (FAR 32.501)

~~99.102.~~ Were negotiations conducted with all responsible offerors within a competitive range? (FAR 15.609)

~~100.103.~~ Were offerors notified of any changes in the Government's requirements? (FAR 15.606)

~~101.104.~~ Were acknowledgments of changed requirements confirmed in writing by offerors? (FAR 14.303 and 15.411)

~~102.105.~~ Were proposals marked with the date and time of receipt? (FAR 15.411(a))

~~103.106.~~ Were requirements revalidated per DLAD 1.693?

*107. Were the documentations required in DLAD 17.9307 included in the contract file?*

TAB NO. 43 AWARD/CONTRACT AND CORRESPONDENCE

~~104.108.~~ Was proper award document utilized (SF 26 - SF 33 - SF 1449)? (FAR 15.414)

~~105.109.~~ Does contract agree in all respects with contractor's bid/proposal?

~~106.110.~~ If single signature document, does it reflect contractor's letter/message amendments?

~~107.111.~~ Is arithmetic correct? (Extensions and totals)

~~108.112.~~ Is contract being awarded within bid/proposal acceptance period? (FAR 14.408-1(a)/52.215-16(e))

~~109.113.~~ Adequately funded? (FAR 32.702)

**114. Does the contract file contain the approvals required in 17.9304(b)(7)(vi)(A) and 52. 217-9006 for any exceptions taken?**

**90.1101(b)(18)** Other considerations. ~~Provide requirements necessary to maintain a mobilization base, if applicable (see Subpart 17.93). Discuss the plan for identifying/establishing industrial preparedness planned producers and obtaining industrial preparedness agreements.~~

**(a) Explain how the acquisition addresses definition of S&S requirements, the contractor's development of capability to meet S&S requirements, and ability to test (i.e., validate) that S&S capability. Provide the basis for development of the surge and/or sustainment requirements. If surge and/or sustainment requirements are not included, provide basis for their exclusion, and identify the alternative means of obtaining surge and/or sustainment capability. Identify potential need for industrial preparedness funds for S&S solutions, the approach for handling S&S investments at the end of the contract, and whether the surge investments will be considered Government property. If S&S items will be added after award of the contract, address definition of S&S requirements, contractor's assessment of S&S capability, and S&S testing for the added items. Provide all language concerning S&S to be used in soliciting concepts or proposals (i.e., BAA, addendum to BAA, RFP).**

**(b) Discuss any environmental considerations. Include DLA Form 1664, Record of Determination – Environmental Evaluation, to indicate whether an environmental document is required in accordance with DLAD 1000.22, Environmental Considerations in DLA Actions in the United States. Contracting actions involving significant quantities of toxic and hazardous chemicals, pesticides, radioactive items, fossil fuels, or animal products made from endangered species are not categorically excluded under DLAD 1000.22 and require preparation and submission of an environmental document to accompany the acquisition plan.**